| Supplemental Item 1 |
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PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA COMMISSION DIRECTIVE

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| ADMINISTRATIVE MATTER | DATE | April 08, 2009 |
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| MOTOR CARRIER MATTER | DOCKET NO. | 2008-325-C/2008-326-C 2008-327-C/2008-328-C 2008-329-C |
| UTILITIES MATTER | ORDER NO. | |

SUBJECT:

DOCKET NO. 2008-325-C - Application of Time Warner Cable Information Services (South Carolina), LLC d/b/a Time Warner Cable to Amend Its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Farmers Telephone Cooperative, Incorporated and for Alternative Regulation;

DOCKET NO. 2008-326-C - Application of Time Warner Cable Information Services (South Carolina), LLC d/b/a Time Warner Cable to Amend Its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Fort Mill Telephone Company d/b/a Comporium Communications and for Alternative Regulation;

DOCKET NO. 2008-327-C - Application of Time Warner Cable Information Services (South Carolina), LLC d/b/a Time Warner Cable to Amend Its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Incorporated and for Alternative Regulation;

DOCKET NO. 2008-328-C - Application of Time Warner Cable Information Services (South Carolina), LLC d/b/a Time Warner Cable to Amend Its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of PBT Telecom, Incorporated and for Alternative Regulation; -and-

DOCKET NO. 2008-329-C - Application of Time Warner Cable Information Services (South Carolina), LLC d/b/a Time Warner Cable to Amend Its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Rock Hill Telephone Company d/b/a Comporium Communications and for Alternative Regulation - Discuss this Matter with the Commission.

COMMISSION ACTION:

Time Warner Cable Information Services, Inc. has requested that its certificate of public convenience and necessity be amended to authorize Time Warner to offer telephone service in the service territories of five rural incumbent carriers: Farmer's Telephone Cooperative, Fort Mill Telephone Co., Home Telephone Co., PBT Telecom, Inc., and Rock Hill Telephone Co., which I will refer to collectively as the RLECs. These five RLECs intervened in their respective dockets and requested that the matters be consolidated for hearing. Accordingly, finding that consolidation would advance the interests of judicial economy without any prejudice to any party, the Commission consolidated the dockets for hearing.

Time Warner and all of the RLECs agree that Time Warner should be granted the primary relief it seeks – authority to offer its telephone service in the service territories of the RLEC intervenors. The

parties differ, however, in that the RLECs seek to have the Commission impose certain conditions upon Time Warner. The ORS has proposed that the Commission adopt a compromise position, imposing a more limited set of conditions upon Time Warner. Time Warner opposes the imposition of additional conditions on its certificate, and instead would have no more conditions imposed upon its entry into these RLECs' service areas than would be imposed upon any other competitive local exchange carrier.

As all of the parties have agreed that Time Warner should be allowed to serve the areas now served by the RLECs, I move that we grant Time Warner's applications as follows.

With regard to the conditions proposed by the RLECs, the Commission should explicitly require that if Time Warner continues its current practice of interconnecting through an underlying carrier, that carrier must be duly certificated by this Commission and be subject to all applicable rules and regulations. Furthermore, all traffic must be properly identified. Appropriate compensation must be paid to the RLECs for all interconnected traffic, and the State Universal Service Fund must be appropriately paid based upon the full voice portion of Time Warner's service. Telephone numbers must be assigned within their associated rate centers. All of the above conditions are consistent with existing law and regulatory authority. I therefore move that we adopt them in our order.

However, I move that we decline the RLECs' request that we prohibit Time Warner from obtaining numbering resources from NANPA and assigning those numbers to its customers. I also move that we decline to impose upon Time Warner the service quality standards and reporting requirements applicable to the RLECs. As a CLEC, Time Warner is governed by the same regulations as other CLECs. Finally, I move that we decline the RLECs' request that we require Time Warner to interconnect only through Sprint absent application for approval to change underlying carriers. Time Warner has represented to this Commission that it has no current plans to interconnect with the RLECs other than through its current wholesale arrangement. Accordingly, I move that our decision today address only Time Warner's interconnection through a wholesaler of its choosing.

I want to emphasize that my motion today is intended to be fully consistent with the FCC's Time Warner Declaratory Ruling, which was issued in 2007 and reported at 22 F.C.C.R. 3513. In that decision, the FCC held that CLECs providing wholesale telecommunications services to other service providers are entitled to interconnection under Section 251 of the Telecommunications Act of 1934, as amended. However, the FCC expressly limited its ruling to "telecommunications carriers that provide wholesale telecommunications service and that seek interconnection *in their own right* for the purpose of transmitting traffic to or from another service provider." The FCC also made clear that the Declaratory Ruling "in no way diminishe[d] the ongoing obligations of these wholesalers as telecommunications carriers, including compliance with any technical requirements imposed by [the FCC] or a state commission." Consistent with the declaratory ruling, I reiterate that any interconnecting carrier used by Time Warner must be certificated and regulated by this Commission.

| PRESIDING: | <u>Fleming</u> | | | | SESSION: Regular | TIME: 2:30 p.m. |
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RECORDED BY: J. Schmieding